

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-319-E - ORDER NO. 2021-328
JULY 26, 2021

IN RE: Application of Duke Energy Carolinas, LLC)	ORDER APPROVING
for Adjustments in Electric Rate Schedules)	DUKE ENERGY
and Tariffs and Request for an Accounting)	CAROLINAS, LLC'S
Order (Appellate Case No. 2019-001900))	UPDATED EXCESS
)	DEFERRED INCOME
)	TAX RIDER

I. INTRODUCTION AND SUMMARY

Duke Energy Carolinas, LLC (“DEC” or “Company”) seeks approval of the Updated Excess Deferred Income Tax Rider (“EDIT Rider”), to be effective June 1, 2021. As background, Order No. 2019-323 established a mechanism to return excess deferred income taxes to customers through an EDIT Rider. The EDIT Tax Savings Rider will remain in place until base rates are reset to reflect these savings in a future rate case proceeding.

The annual revenue requirement for the EDIT Rider was a decrement of approximately \$61,814,000 during Year 1. For Year 2, DEC has calculated an annual revenue decrement of approximately \$67,838,000. For Year 3, DEC has calculated an annual revenue decrement of approximately \$69,816,000. The Company requests approval to update its EDIT Rider to return this updated amount during Year 3.

ORS has reviewed the Company’s calculations, including the changes to the Average Rate Assumption Method (“ARAM”) rate related to protected Excess Deferred

Income Tax to ensure they are correctly calculated. ORS recommends that the Commission approve the Company's request. After due consideration, we believe that the Duke Energy Carolinas, LLC Updated Excess Deferred Income Tax Rider should be approved as requested, *nunc pro tunc*, to be effective June 1, 2021. The updated rider will result in an additional decrease of approximately \$0.19 per month for a typical residential customer using 1,000 kWh, and the overall rider represents a \$5.03 decrease to a typical residential customer's bills per month.

II. FINDINGS OF FACT

Based upon consideration and review of the information and filings in the record, the Commission makes the following findings of fact:

1. DEC seeks approval of the Updated Excess Deferred Income Tax Rider to be effective June 1, 2021.
2. The annual revenue requirement for the EDIT Rider was a decrement of approximately \$61,814,000 during Year 1. For Year 2, DEC has calculated an annual revenue decrement of approximately \$67,838,000. For Year 3, DEC has calculated an annual revenue decrement of approximately \$69,816,000.
3. The Company requests approval to update its EDIT Rider to return this updated amount during Year 3.
4. The updated rider will result in an additional decrease of approximately \$0.19 per month for a typical residential customer using 1,000 kWh, and the overall rider represents a \$5.03 decrease to a typical residential customer's bills per month.

III. CONCLUSIONS OF LAW

Based upon consideration and review of the information and filings in the record, the Commission makes the following conclusions of law:

1. Order No. 2019-323 established a mechanism to return excess deferred income taxes to customers through an EDIT Rider. The EDIT Tax Savings Rider will remain in place until base rates are reset to reflect these savings in a future rate case proceeding.

2. After a review as to the accuracy of DEP's calculations, ORS recommends that the Commission approve the Company's request.

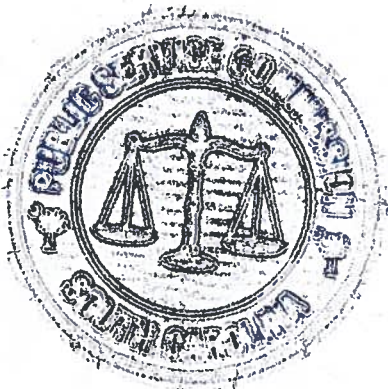
3. The Duke Energy Carolinas, LLC Updated Excess Deferred Income Tax Rider should be approved as requested, *nunc pro tunc*, to be effective June 1, 2021.

IV. ORDERING PARAGRAPHS

1. The Duke Energy Carolinas, LLC Updated Excess Deferred Income Tax Rider is approved as requested, *nunc pro tunc*, effective June 1, 2021.

2. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:




Justin T. Williams, Chairman
Public Service Commission of
South Carolina